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Chairman: Mr. Chowdhury ..... (Bangladesh)

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General debate

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The meeting was called to order at 3.20 p.m.

1. **The Chairman** welcomed Mr. José Antonio Ocampo, Under-Secretary-General for Economic and Social Affairs, and congratulated him on his recent appointment.

General debate

2. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs) said that, as a result of the major United Nations conferences held in the last decade, the international community had made significant strides towards global consensus on the development agenda. Nonetheless, to attain the goals agreed at those conferences, it would be necessary to overcome formidable challenges. The role of the Department of Economic and Social Affairs was to support all efforts to meet those challenges by providing analytical inputs, facilitating policy development, extending technical cooperation and ensuring a coordinated United Nations system approach in all of those areas. In carrying out those activities, the Department would cooperate closely with the Member States, other United Nations organizations, the Bretton Woods institutions and representatives of civil society and the private sector.

3. The Second Committee was meeting at a time when the world economic recovery was gaining traction. The economic effects of geopolitical uncertainties and the Severe Acute Respiratory Syndrome (SARS) epidemic had abated and emerging data indicated improvements in an increasing number of countries. Economic recovery was expected to solidify and broaden in 2004. In the short term, therefore, the outlook seemed promising, but global macroeconomic imbalances – in particular the excessive reliance of world economic growth on one country – cast a shadow over medium-term prospects. The recent setback in the World Trade Organization (WTO) negotiations had also generated uncertainty about future prospects. Despite the current improvements, global economic growth had slipped since the adoption of the Millennium Declaration, with developing countries bearing the brunt of the slow-down. With globalization, the developing countries had remained vulnerable to external events, despite the progress that they had made in improving their domestic policies.

4. Over and above its short-term effects, the recent slowdown had highlighted some of as yet unresolved crucial questions, such as: how to ensure that globalization was equitable and inclusive; how to enable in particular the poorer members of the international community to share the benefits of global integration; how to foster collective action in view of growing interdependence; and how to ensure that the collective efforts of governments and of the international institutions that supported them were more effective.

5. Although some developing countries had benefited from globalization, many lagged behind or suffered from the adverse consequences of global integration. So far, globalization had been accompanied by growing inequality, development asymmetries across the world and reduced national policy options. There was no simple remedy to those shortcomings, but the search for solutions should focus on two major objectives that would help to transform globalization into a positive force for all inhabitants of the world.

6. The first objective should be to build a global citizenry that would address the global challenges. The Secretary-General had outlined that suggestion in 1999, at the fifty-fourth session of the General Assembly, and subsequently in his report "We the Peoples", submitted to the Millennium Summit. At that Summit and in the Millennium Declaration, world leaders had identified poverty as a global challenge and, to confront it, had adopted a set of clear development goals to be attained within specific time limits. The Millennium Development Goals ranged from providing education for all to curbing the AIDS epidemic and, lastly, halving poverty by 2015. Those goals implied a global partnership for development, including a set of commitments by the developed countries to support the efforts of developing countries through greater assistance, a non-discriminatory trade system and external debt relief.

7. Since the adoption of the Millennium Declaration, significant progress had been made in determining the nature of that global partnership, particularly under the Monterrey Consensus and the Johannesburg Plan of Action. Implementing the agreements reached at the United Nations conferences and summits in the 1990s, the Millennium Summit, the Monterrey Conference and the Johannesburg Summit would be a major step towards attaining the goal of equitable and fair globalization. Despite recent

difficulties, the immediate task must be to maintain the new spirit of international cooperation for development that had emerged from the Millennium Declaration and those other commitments. Resolution 57/270 B of the General Assembly on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields provided a consolidated structure for continuing that work. Both the developed and the developing countries must prove to be equal to the responsibilities that the collective commitments implied. Greater political accountability at the national and international levels in relation to international commitments would tangibly improve their quality.

8. But there were many areas, such as peace and security, terrorism, international pandemics, environmental sustainability, macroeconomic and financial stability and regulation of the global marketplace, in which measures taken by countries of their own accord were insufficient: collective measures were required. Existing international structures did not deal adequately with the management and financing of those aspects of global interdependence – which some observers referred to as global public goods. That situation needed to be rectified.

9. The second objective should be to overcome the asymmetries that characterized the current global system. They fell into three broad categories. The first category was associated with the developing countries' macroeconomic vulnerability to external crises and their limited capacity to cope with such crises. The second category was related to the concentration of technical innovation – the major driving force of development – in industrialized countries. The third was linked to the contrast between high mobility of capital and limited mobility of – especially unskilled – labour at the international level. The vulnerability of developing countries to external shocks should be addressed through a comprehensive approach, such as the one provided by the Monterrey Consensus. Under that approach, developing countries should take appropriate action at the national level, but it was also necessary to reduce the segmentation and instability of their access to international financial markets, adopt more counter-cyclical macroeconomic policies to offset sudden fluctuations in capital flows, promote a holistic approach to the interrelated issues of development and international financial cooperation and strengthen the role of developing countries in global decision-making processes, particularly within the Bretton Woods institutions and other bodies that had a bearing on international capital flows.

10. To the extent that the flow of technology took place through trade, the second asymmetry was linked primarily to the functioning of the world trade system. The developing countries needed to adopt domestic measures to promote innovation, to participate actively in world trade and to build their capacity to absorb new technologies. But such measures would yield limited benefits unless they were supported by a trade system and other modalities that accelerated the access of developing countries to technology and facilitated their increasing participation in technology generation.

11. The agenda of the Doha round of trade negotiations covered a number of essential changes that would enable developing countries to benefit from trade opportunities. The failure to make tangible progress at the Fifth WTO Ministerial Conference at Cancun was therefore a setback not only to the global trading system but, above all, to global development. However, there had been positive aspects to the Cancun meeting, including, in particular, the unprecedented, active participation of developing countries in the negotiations; concrete progress in clarifying the bases for a successful outcome of the round; and important steps forward on several specific issues. The Doha negotiations must be resumed as soon as possible in order to build on those positive developments, ensuring that they were not lost when the process resumed. However, success required that future discussions should not be approached as just another round of negotiations on mutual concessions but rather as a universal effort to enhance opportunities for development and make the international trade system more equitable.

12. The third category of asymmetry arose between international labour and capital flows. International migration had emerged as an important aspect of globalization, not only for countries with abundant labour but also for the receiving countries that benefited directly from immigrant labour. Approximately 175 million persons or 3 percent of the world population currently lived outside their country of birth. Their most visible contribution to their countries of origin were financial remittances, second in value only to foreign direct investment flows and far greater than official development assistance (ODA)

receipts. In recent decades, despite the important economic contribution of immigrants and the liberalization of other factors of production, the emphasis in labour-receiving countries had been on policies aimed at curbing immigration. The issue of labour immigration should be given greater prominence on the international agenda and be considered as a complement to international negotiations on trade and the mobility of capital. At the same time, regional and sub-regional agreements and complementary mechanisms that facilitated migration should be encouraged.

13. Enhanced international cooperation was at the core of the effort to implement the agreed development agenda and could be promoted by building strong institutions and establishing a network of complementary national, regional and global institutions. Measures at the regional and sub-regional levels were crucial for four main reasons: complementarity between global and regional institutions in a heterogeneous international community; the fact that – given the unequal size of the actors involved in global processes – many countries' voices would be better heard if expressed as a regional voice; greater sense of ownership of regional and sub-regional institutions; and the fact that the scope for effective economic policy autonomy had shifted from the national to the sub-regional or regional level. A system that relied on networks of global and regional institutions would be more efficient and more equitable. The United Nations provided a platform for building such networks.

14. **Mr. Bennouna** (Morocco), speaking on behalf of the Group of 77 and China, said that the international community should combine its efforts to promote reform at the United Nations. The Group of 77 and China was committed to participating in that undertaking.

15. The latest economic forecasts of the United Nations, the World Bank and International Monetary Fund pointed to economic recovery in the developed countries, particularly in the United States of America. That recovery should have a stimulating effect on the entire world economy. Although there were hopes that it would affect the developing economies favourably, their recovery so far was weaker and slower than expected owing to an aggravation of global imbalances, a slowdown of growth in the developed economies and persistent economic and social problems in the developing countries. The macroeconomic situation continued to be characterized by instability and reduced capital flows to the developing countries, which had experienced negative net transfers of funds of approximately US$ 192 billion in 2002, almost twice the annual average recorded between 1998 and 2000. The external debt burden continued to weigh on the developing countries, which were also affected by stagnating international trade and stronger protectionist measures against their more vulnerable exports. The situation of commodity exporting countries was even more serious as a result of market instability and falling prices, and that trend had adversely affected their development efforts and economic and social plans. Nevertheless, according to the World Development Indicators (WDI) 2003 report of the World Bank, it was still possible to halve global poverty by 2015, if the wealthy countries reduced obstacles to trade and increased official development assistance (ODA).

16. International trade continued to be the motor of development. The countries of the South could not attain the Millennium Development Goals unless the developed countries removed trade barriers, which prevented developing countries from realizing fully their export and economic growth potential. The protectionism of the countries of the North primarily affected exports by poor countries of products of labour-intensive sectors, in which those countries had comparative advantages. As long as the developed countries resisted trade liberalization in those sectors, prospects would remain dim. The failure of the Fifth WTO Ministerial Conference at Cancun showed that the commitment made at Doha to give development and other issues of interest to developing countries a central place in WTO negotiations was very far from being met.

17. World economic uncertainties were disquieting. According to a recent World Bank report, published on the eve of the Conference at Cancun, the rate of growth of the world economy was much lower than the level required for any significant poverty reduction and for attaining the education- and health-related Millennium Development Goals. Prospects for Africa, whose rates of growth could not prevent poverty increase, were even worse. It was necessary to improve the economic and financial environment, take the interests of developing countries into consideration in multilateral trade negotiations and adapt the international financial

institutions to the new world economy, bearing in mind the needs of the poorer countries. The developed countries must implement macroeconomic policies to ensure greater stability in the world and show stronger political will to promote and strengthen multilateralism.

18. The Millennium Summit and other United Nations summits and conferences, such as those at Johannesburg and Monterrey, had been part of a process aimed at establishing a platform to promote economic growth, sustainable development and poverty reduction. Resolution 57/270 B of the General Assembly on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields had emphasized the urgent need to ensure fulfilment of commitments made by Member States and other parties, the importance of monitoring such fulfilment and the related responsibilities of the General Assembly, the Economic and Social Council (ECOSOC) and its subsidiary organs, pending a review of the fulfilment of development-related commitments in 2005.

19. The follow-up to the Monterrey Consensus was no doubt one of the most important issues on the agenda of the current session of the General Assembly. In that context, the high-level dialogue on financing for development would offer the opportunity to evaluate the progress achieved. The main task of the Second Committee would be to formulate resolutions that would be based on the conclusions of that dialogue and would transform commitments into practical measures. The Committee should also focus on the evaluation of monitoring mechanisms provided for in the Monterrey Consensus.

20. The recent approval of the multi-year programme of work of the Commission on Sustainable Development (CSD) for 2004–2017 would enable it to play a better role and serve as a viable forum for the examination of issues related to the integration of the various aspects of sustainable development. The Second Committee should provide the directives and political guidelines that the Commission needed to fulfil its mandate. The same held true for the United Nations Forum on Forests. The United Nations Convention to Combat Desertification was another valuable instrument of the international community for promoting the attainment of the sustainable development goals, particularly poverty reduction. In that context, the Second Committee should maintain the momentum imparted by the Sixth Conference of the Parties to the Convention held in Havana, in order to ensure the efficient and lasting implementation of the Convention.

21. It was regrettable that there had been no progress in the implementation of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001–2010 (BPoA) adopted in Brussels in 2001. The Group of 77 and China launched an appeal for the implementation of that programme. Despite their incessant efforts, the least developed countries – the most vulnerable among the developing nations – continued to be excluded and marginalized in relation to the benefits of globalization. At the Special Ministerial Conference of the Least Developed Countries, chaired by the Chairman of the Group of 77 and held in Rabat in June 2003, the LDCs had reaffirmed their resolve to implement the Brussels Programme of Action.

22. The Group of 77 and China welcomed the report of the Secretary-General on progress under the New Partnership for Africa's Development (NEPAD) and the establishment of the Office of the Special Adviser on Africa, and suggested that sufficient financial resources should be allocated to the Office to enable it to carry out its mandate.

23. The first International Ministerial Conference on Transit Transport Cooperation held in Almaty would contribute to the solution of the problems faced by land-locked developing countries. The Programme of Action approved at the Conference had defined the framework for cooperation between land-locked developing countries and transit countries and had set guidelines for eliminating administrative obstacles to the exports of land-locked developing countries, bearing in mind the legitimate concerns of transit countries, and for modernizing and improving the transport infrastructure.

24. The international community should also support the small island developing States, by facilitating the implementation of the Barbados Programme of Action. The Group of 77 urged the donor community to fulfil its commitments under that programme and supported those States in their effort to attain the Millennium Development Goals.

25. The Second Committee should also address the important issue of the movement of persons and

international migration in the context of globalization and development. More and more countries of origin, and transit and receiving countries, currently faced various migration-related problems. A constructive and frank dialogue should be established among Member States to achieve a better understanding and management of that phenomenon, especially with regard to the brain drain from the South to the North and the related needs of wealthy countries.

26. Lastly, the Second Committee should examine and improve its programme of work in view of the current situation and the role and responsibility of the United Nations in regard to the implementation of the outcomes of the major international conferences. As chair of the Group of 77, Morocco resolutely promoted the adoption of resolution 57/270 B of the General Assembly. It hoped that the 2005 World Summit would provide an opportunity to give due priority to the issue of development in the agenda of the United Nations. It was well known that security constituted a global problem that necessarily entailed combating poverty. Only the expectation of a better future could lead to greater stability and security for all.

27. **Mr. Spatafora** (Italy), speaking on behalf of the European Union, the acceding countries, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia, and the associated countries, Bulgaria, Romania and Turkey, said that commitment to multilateralism was a defining principle of the external policy of the European Union. The Millennium Declaration constituted the overarching policy framework for the economic and social work of the United Nations. The Millennium Development Goals and other internationally agreed goals provided clear objectives in the economic, social and environmental areas, on which the international community needed to focus its attention and action. The attainment of those objectives could not be delayed, and to that end, it was necessary to secure the support of all Member States and all other stakeholders.

28. A positive process had been launched in the spring of the current year by the General Assembly's Ad Hoc Working Group on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields. The initiative announced by the Secretary-General in his report on the follow-up to the Millennium Declaration and his opening remarks at the opening of the general debate of the General Assembly clearly indicated the growing need for change. It was necessary to rationalize the methods of work of the Second Committee in order to maximize the policy relevance and impact of its deliberations. In particular, it was necessary to consider the Second Committee's work in relation to the programme provided in the Annex to resolution 57/270 B and to take a decision thereon by December 2003. Not much time was left to complete that task. The European Union had already given its opinion on the reorganization of work and was participating in the debate without bias, but with the clear objective of strengthening the Organization's role.

29. **Mr. Mackay** (New Zealand), speaking on behalf of the Pacific Islands Forum, said that the members of the Forum shared a common interest in fostering sustainable development in the region and that many of the issues on the agenda of the Second Committee were therefore crucial to them. At their annual meeting in Auckland, New Zealand, on 14–16 August 2003, Pacific Islands Forum leaders had reaffirmed the importance of sustainable development to Forum members and had noted the successful outcomes of the World Summit on Sustainable Development in relation to small island developing States issues. They had also encouraged Forum members to engage closely in the ten-year review of the Barbados Declaration and Programme of Action for the Small Island Developing States (Barbados + 10). In August 2003, Samoa had hosted a successful regional preparatory meeting. Pacific Islands Forum members would participate actively in the Interregional Meeting scheduled for January 2004 in the Bahamas and in the International Meeting for the ten-year review, which Mauritius had offered to host. The General Assembly should encourage Member States to continue to engage seriously in the preparations for that important meeting.

30. Pacific Islands Forum members lamented the lack of progress at the Fifth Ministerial Conference of the World Trade Organization ((WTO) held at Cancun, for trade was a key issue for them. They had taken useful steps at the regional level in working to expand their trade opportunities, but such action at regional level was no substitute for global commitment to freer trade, expressed through the successful conclusion of the Doha round of trade negotiations. Forum members

urged Member States to re-engage in negotiations in the Doha round and to re-commit themselves to that goal, and hoped that the Doha round would make it significantly easier for small economies to reap the benefits of a fairer world trade system.

31. Climate change, climate variability and sea level rise were very real threats to Forum members. In their August 2003 communiqué, Forum leaders had noted that members were taking concrete steps to mitigate climate change and would be meeting the Kyoto targets. They had called for urgent action to be undertaken to reduce greenhouse gas emissions, and had delivered a clear signal that further commitments had to be made by all major emitters. They had also noted that it was vital to identify and implement a range of adaptation options, particularly for extreme weather and climate events, and to ensure that they were maintained and well funded through various means at the regional and national levels, including through World Summit on Sustainable Development (WSSD) Type II Partnership initiatives and through the Global Environment Facility (GEF).

32. **Mr. Motomura** (Japan) said that at the high-level segment of the Economic and Social Council (ECOSOC), Mrs. Shinako Tsuchiya, then Parliamentary Secretary for Foreign Affairs of Japan, had clearly expressed Japan's view that the community empowerment, good governance and robust, broad-based and equitable growth were necessary in order to reduce world poverty.

33. In regard to the economy of Japan, many Japanese were currently in difficult straits owing to the country's economic stagnation since the 1990s. The Japanese Government, led by Prime Minister Koizumi, had done its utmost to implement structural reform of the economy in the belief that that was indispensable to recovery. That effort seemed to be producing results. In the second quarter of 2003, the country had achieved 3.9 per cent growth and forecasts for the year were at significantly higher levels than in 2001 and 2002.

34. Japan was still struggling, however, to achieve stable economic recovery and the people of Japan felt that internal and external policies should be reviewed to ensure that the reform produced concrete results. The Government of Japan had revised the Official Development Assistance (ODA) Charter, which since its approval in 1992 had constituted the foundation of Japan's aid policy. The purpose of the revision had been to enhance the strategic value, flexibility, transparency and efficiency of ODA, encourage wide public participation, and increase understanding of Japan's ODA policies within Japan and abroad. The new Charter clearly stated that the objective of Japan's ODA was to contribute to the peace and development of the international community and thereby to help to ensure Japan's own security and prosperity; identified poverty reduction and peace building as priorities; designated Asia as a priority region; and included the human security perspective in all basic policies.

35. Japan had redoubled its efforts to provide assistance for the development of Africa, which continued to be a central issue for the international community. The Tokyo International Conference on African Development (TICAD) continued to serve as a framework for the assistance provided by Japan, primarily in the economic and development areas. The Government of Japan had hosted TICAD III, during which it had announced an initiative to extend US$ 1 billion in assistance in areas that directly benefited people. Japan was grateful to all countries that had participated in the Conference for their valuable contributions and hoped that both the African countries and their development partners would further develop the concept of ownership and partnership through the New Partnership for Africa's Development (NEPAD) and other forums.

36. Japan was aware of the vulnerability of many African countries and other vulnerable groups, such as the least developed countries, landlocked developing countries and the small island developing States. The Japanese delegation appreciated the outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, which it considered a historical step.

37. Sustainable development was among the items that the Second Committee should take up with a sense of urgency. Disaster reduction was an essential requirement for the achievement of overarching objectives of sustainable development and highly important in terms of carrying out the WSSD Plan of Implementation. The delegation of Japan proposed that the General Assembly should adopt a resolution enabling the United Nations to hold a World Conference on Disaster Reduction in order to conclude the review of the Yokohama Strategy and formulate a

new strategy including appropriate policy measures for the twenty-first century. If that proposal were accepted, Japan would like to host the conference in Kobe in January 2005.

38. Education was another key issue and a means of promoting sustainable development. The inheritance of a healthy environment by future generations depended on the wisdom of existing generations and on their children's awareness; hence the importance of education. The Government of Japan continued resolutely to promote the decade of the Education for sustainable development and would propose a draft resolution in the current year to give impetus to the initiative, which it hoped would receive broad support.

39. Lastly, the delegation of Japan emphasized the importance of the step taken by the General Assembly to assign responsibility to the Second Committee for discussing the reform of its agenda. It was necessary to address that task courageously so that the resolutions adopted by the Second Committee could have an impact on the real world. Otherwise, the role of the United Nations in the economic area would become less and less relevant to the world.

40. **Mr. Isakov** (Russian Federation) said that it was increasingly obvious that it was as important to respond to the world challenges and threats in the social, economic and environmental areas as it was to address the problems of world politics. At the international level, the task of ensuring greater consistency between trade policies and financial relations – for which it was necessary to continue to strengthen cooperation between the United Nations, the Bretton Woods institutions and the World Trade Organization (WTO) – had become primordial. In that process, it was necessary that the United Nations should provide genuine leadership and strengthen its role of political mobilization. Through an efficient division of labour, the high-level dialogue on development financing and the forthcoming joint meetings of the Economic and Social Council (ECOSOC), the Bretton Woods Institutions and WTO should contribute to carrying out that task on the basis of an efficient division of labour.

41. Mindful of the Monterrey appeal, the Russian Federation would continue to contribute to the promotion of development, taking into consideration the particularly difficult situation of the least developed countries and the African countries. In the last three years, the Russian Federation had written off a total of US$ 27.2 billion in debts owed by developing countries. The total amount of assistance provided by the Russian Federation in that period, including the debt written off, amounted to approximately 1.7 per cent of its GDP. In the last year, the Russian Federation became a World Food Programme donor and made a significant contribution to the Global Fund To Fight AIDS, Tuberculosis and Malaria. It also accorded developing countries substantial tariff preferences.

42. WTO played an important role in the promotion of international trade, which guaranteed world growth and prosperity. The outcome of the Fifth WTO Ministerial Conference at Cancun should not cause discouragement, but efforts should be redoubled to obtain constructive results in the ongoing negotiations on multilateral trade. It was necessary to create stable, predictable and non-discriminatory conditions of access to the international goods and services markets for all countries, including economies in transition that were negotiating their admission to WTO.

43. The Russian Federation was currently negotiating its admission to WTO. In that regard, it assumed that its admission, like the admission of other countries, would not be used as a testing ground for ideas and concepts that were still being debated within that organization. Global trade regulation mechanisms could not function effectively without regional integration, on which the economic prosperity of all regions of the world depended. A good example was the recent consultation of the leaders of Belarus, Russian Federation, Kazakhstan and Ukraine on an agreement establishing a common economic area.

44. Environmental degradation was one of the main current challenges and threats. The Federation of Russia was making vigorous efforts in that area. It had accordingly adopted the Ecological Doctrine, which included many of the basic recommendations of the World Summit on Sustainable Development, and had developed the concept of international cooperation in the area of environment planning and protection. The Russian Federation was also contributing more and more to the solution of global environmental problems. In the current year, it had acceded to the United Nations Convention to Combat Desertification and was preparing to accede to the Stockholm Convention on Persistent Organic Pollutants. It had also intensified its participation in the international forest-policy process.

45. The World Conference on Climate Change, held recently in Moscow, had been an important event. The delegation of the Russian Federation hoped that the outcomes of that Conference would contribute significantly to the study of that serious problem and the search for effective forms of multilateral cooperation in that area. In the 1991–2002 period, greenhouse gas emissions in the Federation of Russia had diminished by 32 percent, as opposed to an increase of almost 40 percent in other countries.

46. The new realities and the world challenges called for the adoption of a new approach to the organization of work in the economic and social sector of the United Nations, including the Second Committee. The delegation of the Federation of Russia was ready to work constructively in that direction. The exercise of consolidating the issues assigned to the Second Committee should continue, and the deletion of some obsolete themes from the agenda should be considered. However, the delegation of the Federation of Russia was in favour of maintaining in the Second Committee the general debate, because it permitted important general-policy conclusions that served as a basis for formulating specific practical measures.

47. In regard to the economic situation of the Federation of Russia, in the first half of 2002, GDP had grown by 7.2 percent, investments in the economy had increased by 12 percent and the volume of foreign trade had attained US$ 152 billion, its highest level in ten years. Real progress had been achieved in market infrastructure development, in strengthening guarantees for private property and in the creation of a more propitious investment and business climate. However, there was still an urgent need to develop an economic model that did not rely on the raw-material and energy sectors and had the necessary capacity to spur sustainable growth and raise the competitiveness of domestic producers. Such an economic basis would make it possible to attain the key objective of ensuring decent living conditions for all the citizens of the Russian Federation.

48. **Mr. Atta** (Egypt) said that his delegation agreed with the statement made by Morocco on behalf of the group of 77 and China, and affirmed that development and the eradication of poverty constituted, from a humanitarian, moral and political point of view, a common responsibility and the shortest path to peace and security. Therefore, development should be the main focus of activities in the United Nations system and of national strategies.

49. The international economic situation showed that the imbalance in wealth distribution between the developed and the developing countries could not continue. Clearly, some parts of the world could not attain their development objectives by 2015, and it was therefore urgent that the international community should fulfil its promises regarding assistance for developing countries – to help them to overcome their difficulties – fully implementing the decisions adopted at the United Nations world summits held in the past year, in Monterrey and Johannesburg in particular, and at the Millennium Summit. Those summits were in no way ends in themselves but should be supported by complementary measures and other initiatives to correct the shortcomings of the international economic system and achieve international economic development in every sense of the term.

50. Egypt had spared no effort to implement the plans, principles and goals of the Rio Declaration and Agenda 21, and was committed to implementing the decisions adopted at the Johannesburg Summit. To ensure sustainable development, it was necessary to share responsibilities and create a favourable international economic environment that would encourage the developing countries to produce sustainable goods, through contributions in the form of international financing, technology, training opportunities and capacity building, with a view to facilitating their access to international markets on favourable terms, without using environmental criteria as a pretext for obstacles to development.

51. The regrettable failure of the Fifth Ministerial Conference of the World Trade Organization (WTO) at Cancun reflected the huge gap between developed and developing countries. Developing countries remained excluded from free trade and had many unmet needs, especially those related to access for their agricultural products to the markets of developed countries. In future those developed countries should tangibly prove that they did not disregard the interests of developing countries and were convinced of the need to strike a balance in the multilateral trade system, if that system were to be beneficial to all.

52. The success of development activities also called for greater resources and policies to build the capacities of the developing countries and reduce their

indebtedness. Clear ideas and the participation of all countries and the international organizations, and especially the United Nations, the Bretton Woods institutions and WTO, were therefore necessary. The leaders who had attended the Monterrey Summit had agreed to adopt policies and principles that might be regarded as the starting point of international endeavour in that regard. The credibility, the political will and the resolve of the international community to implement the Monterrey Consensus and to fulfil its commitments to achieve more equitable international system were therefore at stake.

53. The African continent should be at the top of the agenda of the United Nations. Egypt consequently reaffirmed the need to implement all the resolutions adopted by the General Assembly in respect of the New Partnership for Africa's Development (NEPAD), execute the United Nations programmes related to Africa and harmonize them with the priorities of NEPAD; and called on all countries of the world to provide political and economic support for the New Partnership.

54. **Mr. Akram** (Pakistan) said that, although there were some signs of economic recovery, the recession of the global economy, which had started in 2001, was continuing and was affecting the majority of countries. World economic prospects currently depended on continued demand in the United States of America, but it was necessary to generate a more sustainable basis for demand growth, especially in the developing countries, where the largest potential existed for increasing consumption of goods and services.

55. Unfortunately, the measures and policies adopted by the major countries and international financial and trade institutions had not sufficed to stimulate economic growth and demand in the developing countries, whose needs in trade access and opportunities had not received due attention. After declining in 2001, global trade had grown by less than 2 per cent in 2002, compared with an average of nearly 7 per cent of the 1990s. Similarly, net global capital flows to developing countries had fallen drastically since 2000 and in some cases had become negative.

56. As expected, the negative impact of the global economic slowdown was most severely felt by developing countries such as Pakistan, which in addition was a frontline State in the fight against global terrorism, after the events of 11 September, and was also affected by regional tensions and conflicts. Despite those difficulties, a painful adjustment programme and far-reaching reforms had breathed new life into the Pakistan economy. Trade liberalization and peace with neighbours were central to the stability and sustainable development of the region. Therefore, Pakistan sought a just and peaceful solution to its dispute with India over Jammu and Kashmir, and hoped that collective efforts would lead to peace and development in the region.

57. Without growth in the international economy, development was impossible. It was therefore essential to stimulate growth, not only in the developed countries, but also in other regions. To that end it was necessary to secure a political commitment to achieve the agreed official development assistance target of 0.7 per cent of gross domestic product (GDP); a much more ambitious effort to cancel and restructure the debt of heavily indebted poor countries and low-income countries with a high growth and demand potential; the adoption of practical measures to promote capacity-building for production and trade growth in the developing countries; and bold policies to create innovative ways of financing development on concessional terms, such as the establishment of a SDR-development link, the creation of new SDRs to increase liquidity, the revival of the compensatory financing facility under the International Monetary Fund (IMF), the creation of a nominal tax on financial and trade transactions, and the application of the Tobin Tax.

58. Together with larger financial and investment inflows into the developing countries, a more deliberate effort was also required to restore trade and exports as the engine of growth in the developing countries rather than enforcing a globalization that further marginalized those countries and locked them into patterns of dependency and underdevelopment. Free markets, trade liberalization and the Doha round of trade negotiations must not be mere rhetoric. The collapse of the trade talks at Cancun demonstrated that the developing countries would not accept persisting trade inequity. The reasons for the failure, according to the report of the United Nations Conference on Trade and Development (UNCTAD) were: the complexity and diversity of the Doha Work Programme, imbalances between the packages tabled and the expectations of members, and pressure for a decision on the agendas of developed countries while ignoring

the core interests of developing countries (report TD/B/50.8). The President of the World Bank believed that it was caused by the determination of the developing countries to strike a new balance between the rich and powerful, and the poor and numerous. Most civil society organizations ascribed it to the lack of democracy and transparency in WTO decision-making.

59. While all of those explanations might be true, the fact remained that the seeds of the Cancun failure had been sown at Doha, when the Ministers had agreed on an unbalanced Work Programme. The trend had matured in Geneva, where the major trading countries had refused to offer even the promised concessions on development-related issues. Lastly, at Cancun, a Declaration was presented that, while reflecting most of the concerns of the developed countries, ignored the major concerns of the developing countries. The Doha round talks had not been a departure from the culture of WTO, where negotiations were characterized by a culture of brutal one-sidedness driven solely by narrow commercial self-interest and by indifference to the future of the multilateral trading system, to poverty eradication and to the promotion of development throughout the world.

60. Still, the Doha round of trade negotiations could be retrieved and revitalized. It could be transformed into a genuine development round, if the major trading partners showed the required political will. For that purpose, there should first be a general agreement on some important new premises. First, there should be an effort to precisely identify the objectives of the round, including: a commitment not to circumvent development goals; resolution of the outstanding implementation issues; elimination or substantial reduction of tariff peaks and tariff escalation; operationalization of special and differential (S&D) provisions in existing WTO agreements and full reflection of S&D treatment in new agreements; in relation to the movement of natural persons in the services sector, enhanced access to markets; review and reflection of the development dimension in the agreements on trade-related investment measures (TRIMs) and intellectual property rights (TRIPs); a development-oriented attitude towards the implementation of anti-dumping measures; and, through the two existing Working Groups, promotion of specific development goals in the areas of trade, debt and finance, and technology trade and transfer.

61. Secondly, a commitment should be made by the developed countries not to seek reciprocity in new trade liberalization from the low-income and least developed countries, at least for an extended period of time. Thirdly, a consensus should be reached on a more transparent and democratic decision-making process in the WTO. For instance, Chairpersons of negotiating bodies should be selected more openly in full consultation with developing countries; draft decisions should emanate from delegations, not Chairpersons, and should be openly negotiated without recourse to green room procedures; and the WTO Secretariat should effectively promote the development-oriented objectives of the Round and should seek inputs for its analysis and recommendations from other organizations, especially UNCTAD.

62. Lastly, there should be a commitment from the major trading partners to an early harvest of development-friendly decisions, perhaps at the December meeting of Senior Officials, including: a moratorium on anti-dumping and other safeguard actions against the low-income developing countries, especially for products whose exports constituted a major proportion of their exports; extension of duty-free and quota-free access to the least developed countries and, similarly, to disadvantaged low-income countries, ensuring against exclusion of dynamic sectors, such as textiles; operationalization of S&D provisions, especially in such agreements as Anti-dumping, TRIMS and TRIPS; a moratorium on dispute settlement actions against low-income developing countries under the TRIPs and TRIMs agreements; agreement for a significant reduction, if not elimination, of cotton subsidies, and compensation to affected low-income cotton-producing countries for losses incurred in terms of trade and export earnings; a visible commitment to capacity building in the developing countries through the establishment of a capacity-building fund of at least US$ 100 million with the joint participation of WTO, UNDP, the World Bank and UNCTAD.

63. Such a strategy for financial transfers and trade negotiations was the best route to the revival of global economic growth and development and the realization of the Millennium Development Goals, especially forging an international partnership for development and poverty eradication. The high-level review on the implementation of the MDGs to be held in 2005 would

provide an opportunity to register more tangible progress in that regard.

64. **Mr. Mota Sardenberg** (Brazil) stated that his delegation agreed with the statement made by Morocco on behalf of the group of 77 and China, and said that over the past two years the international economic environment had not been conducive to development. The slowdown was particularly onerous for developing countries. The outlook for the remainder of 2003 and for 2004, although somewhat improved, did not seem to warrant hopes for strong growth and significant progress on poverty reduction. As a result, the prospects for achieving the Millennium Development Goals in 2015 were becoming more and more bleak.

65. As shown in the United Nations World Economic and Social Survey, while positive forces in some developed economies were imparting momentum to global recovery, a broader base would be necessary to sustain recovery over the medium term. To that end, it would be necessary to revitalize international cooperation for development and address global economic asymmetries. The tools needed for that endeavour were indeed available: they were embodied in the consensus forged through a series of commitments at Doha, Monterrey and Johannesburg in 2001 and 2002, which reinforced each other and created partnership for action, aimed at a common objective and based on shared responsibilities. The implementation of those commitments had been disappointing, especially regarding trade negotiations. At Doha, the Member States had agreed to launch a round of trade negotiations that would put development at the centre of its agenda, and had decided to address in a decisive manner the most important unfinished business of the Uruguay Round – that of substantially improving market access, phasing out export subsidies and substantially reducing distorting domestic support in agriculture.

66. At Cancun, Brazil had emphasized that none of the other issues in those negotiations remotely compared to the impact that agricultural reform could have on poverty alleviation and the promotion of development, and had criticized distortions in agricultural trade and export subsidies, which generated dependence and deprivation, cut into export earnings and increased food insecurity in developing countries. As the coordinator of a group of 22 developing countries, which presented a common front on agriculture, Brazil regretted the absence of agreement at Cancun. The group, ready to negotiate in earnest, had participated actively in all areas of the negotiations, and not agriculture only. Yet, to reach a consensus and ensure the success of the round, all agricultural and development goals and concerns should be incorporated in the WTO agreements. Consensus could not be imposed through prearranged deals that disregarded previous commitments and ignored the legitimate aspirations of the majority of the world's population. Trade must be a tool not only to create wealth but also to distribute it in a more equitable way.

67. The multilateral framework was irreplaceable and of high priority. Brazil remained a steadfast supporter of an equitable, rule-based, market-oriented multilateral trade system. As negotiations resumed in Geneva, Brazil hoped that a virtuous alliance of those who supported free trade and development would prevail in steering the Doha round to a successful outcome. The deliberations in the Second Committee could help to give political impetus to that process. The United Nations, in constant dialogue with the Bretton Woods institutions and WTO, had the capacity to offer an integrated approach to economic problems that would take into account the interrelated issues of money, trade and finance, and their impact on development. By strengthening the coordination and oversight role of the United Nations and drawing on its mobilizing power, the Organization could be instrumental in improving the response of the international organizations to the most pressing challenges and in galvanizing the whole spectrum of development actors in a spirit of solidarity and renewed commitment to make development a common and achievable goal.

68. **Mr. Zhang Yishan** (China) said that his delegation fully endorsed the statement made by Morocco on behalf of the Group of 77 and China, and welcomed the statement made by the representative of Italy on behalf of the European Union. He stated that, in order to realize the Millennium Development Goals and turn the twenty-first century into a century of development for all, all countries should work hard in a number of areas. First, the concept of integrated and balanced development should be established to facilitate coordinated economic and social development and the harmonious coexistence of mankind and nature. Currently, human development was increasingly constrained by excessive population growth,

environmental degradation, energy depletion and other problems. Countries in the world should formulate strategies and measures for sustainable development in the light of their natural, human and social resources.

69. Second, there must be a new international economic order that was more fair and equitable and more attuned to the requirements of globalization. Such an order should reflect the interests of most countries, empower the developing countries to participate in the international economic system and share in its decision-making, and facilitate common and balanced development in the world. The international community should continue to reform and improve the international financial system and enhance the capacity to prevent and cope with financial crises. Moreover, it should draw lessons from the failure at the Fifth Ministerial Meeting at Cancun, take decisive actions, look at trade from a development perspective, minimize distortions and unfairness in the multilateral trade system and further open up markets to promote the healthy development of the multilateral trade system.

70. Third, it was imperative that countries adhered firmly to multilateralism, revitalized international cooperation for economic development and established a new partnership that was mutually beneficial. For that purpose, South-South cooperation and North-South exchanges must be effectively enhanced. Developing countries should strengthen cooperation and coordination with each other so that they might become more competitive and improve their position in economic globalization. Developed countries, on the other hand, should actively promote economic growth in the world and provide more support to developing countries in terms of market, resources, official development assistance (ODA), technology, debt relief and terms of trade. Only through the sharing of responsibilities and full cooperation could common challenges be addressed.

71. Fourth, it was important to continue to uphold the authority of the United Nations and strengthen its central leading role in the field of development. The United Nations should enhance its coordinating capacity and continue to work for the achievement of the MDGs and the implementation of the outcomes of the major international conferences. The Organization should also coordinate with all of the relevant agencies and institutions, such as IMF, the World Bank, WTO and other multilateral economic institutions, urge all countries to demonstrate greater political will, actively mobilize resources, conduct international cooperation and help developing countries to implement priority projects relating to the development goals. The delegation of China proposed that the United Nations should set up a fair and rational framework for appraising progress in implementing the MDGs and for monitoring the fulfilment of development assistance pledges.

The meeting rose at 5.35 p.m.